



NEWS RELEASE

Tennessee Regulatory Authority

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TRA Directors Participate in National Forum

Nashville, Tennessee – The National Association of Regulatory Utility Commissioners (NARUC) held its annual Winter Committee Meetings this week in Washington, D.C.

Among the topics discussed during this year's meeting was the emergence of telephone communications over the Internet, otherwise known as "Voice Over Internet Protocol" or "VOIP." Other topics included "Energy Prices and Public Policy," "Electricity Reliability," and "Natural Gas Markets."

The meeting was particularly timely given the D.C. Circuit Court of Appeal's decision issued last week which struck down the Federal Communications Commission's (FCC) rules designed to foster competition in local telecommunications markets.

"I was particularly pleased that FCC Chairman Michael K. Powell attended and laid out some short-term suggestions and invited state commissioners to be part of the ongoing dialogue regarding a multitude of subjects before the FCC, including universal service, advanced technologies, disability access, homeland security, and other issues," said TRA Chairman Debi Tate.

Chairman Powell called on incumbent and competitive local exchange carriers nationwide to immediately begin negotiating for 30 days to try to reach commercial network interconnection agreements. "I would ask these companies in Tennessee to do so as well," stated Tate. "They have the ability to help insure some stability during this critical, yet uncharted time; not only for the economy here in Tennessee, but also for their own customers." The TRA has scheduled its TRO hearings to begin March 29, 2004.

Powell said that if the 30-day negotiating period failed to produce agreements, he would recommend that the FCC adopt an interim set of rules to protect against "precipitous disruptions" in phone service.

"States can and will play a vital role in the development of new rules," Powell said.

Today the FCC met and adopted a new Notice of Inquiry to study technological advances and explore if the newly defined advanced service are being deployed across both geographic areas and socioeconomic levels. They will be seeking comments regarding what companies are doing to accelerate deployment of broadband to all areas and the government's appropriate role.

"With the U.S. being 11th in the deployment of broadband, I am pleased the FCC is setting an ambitious fact-finding mission to provide guidance regarding pro-deployment policies regarding the central issue for not only our economy but our position in the global marketplace," stated Tate who was recently appointed to the Joint Federal-State Board on Advanced Technologies. The Joint Board will study and promote policies so that all Americans will have access to the advanced information infrastructure that will be the engine of economic growth during the next century.

"I spoke with Chairman Powell yesterday in Washington," added Tate, "and am ready to work with my colleagues at both the state and federal level to look toward the future; encouraging innovation while carefully maintaining telephone services to those in low-income or rural areas as well as maintaining an effective 911 system especially during this time of heightened homeland security."

Other speakers at the NARUC meeting included Senator Lamar Alexander who used the forum of state officials to rally support for his position on the Internet Tax Bill. He outlined the potential negative fiscal impact to state governments and emphasized the need for thoughtful and prudent decisions in this ever changing telecommunications arena.

The Alexander plan would provide a two-year extension of the present moratorium on the state and local ban in taxation of Internet access and permit Congress and the FCC to make the appropriate decision regarding regulation and taxation of new technologies. Alexander underscored the important principles of federalism and the arenas in which historically state and local governments have shared responsibility such as telecommunications.

"Senator Alexander clearly has not forgotten where he came from," stated Tate, "and that decisions encroaching on federalism may also have broader implications to other historically state functions such as human services, education, roads, environment and safety."

All of these important discussions may actually be the precursor of a rewrite of the Telecommunications Act. "Certainly with the possibility of a final decision regarding the Triennial Review Order rules possibly taking two years, perhaps that wouldn't be a bad idea in order to thoughtfully consider all of these issues in an over-arching document rather than in a series of rules, decisions and amendments by a variety of different governmental entities," stated Tate.

The meetings provide a forum for the Tennessee Regulatory Authority (TRA), along with other state commissioners, staff, and industry groups, to interact, exchange ideas and

address state and national regulatory issues in the telecommunications, energy and water sectors. NARUC's annual convention is scheduled for Nashville, November 14-17, 2004.

TRA Director Sara Kyle serves on the Board of Directors of NARUC and the Telecommunications Committee; Director Ron Jones moderated a national panel on end-user migration and serves on the Consumer Affairs Committee; Director Pat Miller serves on the Electricity Committee; and Tate, Vice Chairman of the Washington Action Committee, co-moderated a forum on VOIP on Capitol Hill for Congressional staff and also moderated a panel on energy efficient gas programs.

NARUC is a non-profit organization. Its mission is to serve the public interest by improving the quality and effectiveness of public utility regulation. For more information contact NARUC at 202-898-2200, or visit them on the Internet at www.naruc.org.

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